

# **FACT SHEET:**

## **Democrats Fight to Lower Drug Costs for Seniors**

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While millions of seniors struggle to pay for their prescription drugs, Republicans joined with HMOs and big drug companies to pass legislation that does nothing to bring down high drug prices, limits seniors' choices, leaves millions of seniors and Americans with disabilities with high out-of-pocket costs, and eliminates private sector drug coverage for 2.7 million retirees. The only winners under the GOP's new law are the drug companies that stand to make billions in windfall profits, and the big insurance companies that benefit immediately from billions in HMO overpayments and a special \$12 billion Medicare HMO slush fund.

While Republicans protect the wealthy corporate interests that put them in power, Democrats are fighting to lower drug costs for America's seniors. Today, Democratic Leaders Nancy Pelosi and Tom Daschle announced that Democrats would fight to repeal the billions in HMO overpayments, eliminate a \$12 billion Medicare HMO slush fund created by the legislation, and give the government the ability to negotiate lower drug prices.

**GOP drug bill limits choices for seniors.** Under the Republican bill, if a senior chooses not to enroll in the new benefit when they turn 65, their premiums will increase by at least 12 percent every year they wait to enroll in the program – so if a senior waits three years to enroll, their premium would be almost 40 percent higher. Seniors with “Medigap” insurance for drugs will find those plans unavailable. And under the bill’s “premium support” provisions, millions of seniors will face higher Medicare premiums if they don’t give up their right to choose their own doctor and join an HMO.

**GOP drug bill leaves seniors without help with their drug costs even while they continue to pay premiums.** In the first year, millions of middle class seniors with drug costs between \$2250 and \$5100 a year will receive no help at all – even though they will continue to pay premiums. And this coverage gap grows over time. Experts have found that by 2007, most seniors will end up paying more for their prescription drugs, even if they enroll in the new benefit.

**GOP drug bill eliminates existing retiree drug coverage earned by 2.7 million seniors.** Under the GOP bill, 2.7 million retirees will lose the prescription drug coverage they earned through a lifetime of hard work, forcing them to pay more for their prescription drugs.

**GOP drug bill does nothing to bring down drug prices.** The GOP bill prohibits Medicare from negotiating lower prescription drug prices, like the Veterans Administration does, and it blocks reimportation of American-made drugs from other countries, like Canada, at lower prices. Drug companies are allowed to increase prices without any fear of government intervention.

**Democrats are fighting to lower drug costs for seniors.** Today, Democratic Leaders Nancy Pelosi and Tom Daschle announced that Democrats are preparing legislation to eliminate the \$12 billion Medicare HMO slush fund and billions in HMO overpayments – provisions that will give insurance companies \$500 million this year alone even as seniors are forced to wait until 2006 for any help with their drug costs.

